



Downtown Muskegon Business Improvement District

Special Meeting Agenda

June 28, 2019

380 Western Ave., Suite 202 Muskegon, MI at 8 a.m.

- 1) Call to Order
- 2) Public Comment (on an agenda item)
- 3) New Business
 - a) Request to participate in the cost split for the repaving of the DMDC parking lot on Morris from Third to Second
 - b) Discussion of BID board replacement recommendations
- 4) Other Business
 - a) Next meeting is scheduled for Tuesday July 23, 2019 4 p.m. chamber training room, 380 W. Western Ave. Suite 202, Muskegon, MI or at the call of the chair. Request to move it to July 30, same time and place.
- 5) Adjournment

NOTICE
CITY OF MUSKEGON
SPECIAL
BUSINESS IMPROVEMENT DISTRICT BOARD MEETING

A special downtown Business Improvement District Board meeting is scheduled for Friday, June 28, 2019 at 8 a.m. at the Muskegon Lakeshore Chamber of Commerce board room, 380 W. Western Ave., Suite 202, Muskegon, MI 49440. The board requires a special meeting to hear a request for financial participation in the repaving of the Morris Street parking lot from Second to Third streets as requested by the Downtown Muskegon Development Corp. and the Muskegon Downtown Development Authority.

Date: June 20, 2019

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THE CITY OF MUSKEGON AND ANY OF ITS COMMITTEES OR
SUBCOMMITTEES

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Ann Marie Cummings, MMC
City Clerk
933 Terrace Street, Muskegon, MI 49440
(231) 724-6705

To: BID board

From: Dave Alexander, DMN

Re: Special meeting agenda

Date: 6-25-19



Thank you for finding the time to pull together a quorum of BID board members for this special meeting. We are meeting **Friday June 28, 2019 at 8 a.m.** in the chamber conference room. This should be a short meeting. Here are the two items I have on the agenda:

Repaving of the DMDC parking lot – I have already communicated with you on this topic and have included that memo in your agenda packet. I will have a draft of a “payback agreement” for you on Friday morning in which the DMDC agrees to payback a portion of the \$20,000 to the BID and the DDA if the lot or a portion of it is developed before seven years.

BID board replacements – The BID needs to request the Muskegon City Commission to appoint a replacement for Clyde Whitehouse, who resigned from a term expiring at the end of 2012 because he no longer owned property in the district. I asked the BID board to suggest potential replacements. I heard no suggestions.

I will suggest that the BID board asks the city commission to fill Clyde’s seat with Andy Maciejewski -- a former DMN board member and chairman, a partner with Revel and owner of the second floor of Lakeview Lofts where Revel will be moving yet this summer. I have two other potential appointees for this position or other upcoming openings. The first is Raj Grewal of Curry Kitchen, not a property owner but longtime business owner in Midtown on Third Street who could represent his property owner. He also is a former DMN board member. The second is Kathy Dennisen, an owner of downtown commercial property in Midtown and a former owner and current broker for Lighthouse Property Management. She has brought several West Michigan investors into downtown.

To: BID board

From: Dave Alexander, DMN

Re: Funding parking lot resurfacing

Date: 6-19-19

The Business Improvement District board needs a special meeting to consider a request from the Downtown Muskegon Development Corp. and the Downtown Development Authority. There is a proposed three-way cost split for the resurfacing of the DMDC parking lots on Morris from Third to Second behind the Hines Building (chamber) and the Russell Block (Unruly and all).

Those two parking lots, Units 1 and 2 of the downtown condo association, are from the Muskegon Mall demolition and redevelopment of the mall site by the DMDC. The DMDC still owns both parking lots but the snow removal has been a BID expense. The lots --although owned by a private corporation representing three non-profits which has been paying property taxes and BID assessments -- essentially are offered as free municipal downtown parking. When the lots needed sealcoating two years ago, the hat was passed. Here is who paid for the sealcoating and restriping.

City of Muskegon: \$1,000

Russell Block Buildings (Unruly, Drip Drop Drink, Rebel Pies, West Michigan Symphony/The Block, Century Club Center/banquet room and Port City Construction): \$2,800

Hines Building (Capstone Realty, chamber and Harris Group): \$2,400

Holiday Inn Muskegon Harbor: \$500

Community Foundation for Muskegon County (Frauenthal Center): \$500

Hume Building: \$400

18th Amendment: \$300

Total: \$7,900

The sealcoating only lasted two years and now the public lots are in sorry shape, proving a less than stellar image of downtown. We can do nothing, patch and sealcoat or resurface. Sealcoat, patch and restripe will cost about \$9,000 now. Resurfacing will cost about \$60,000 and provide a seven-year fix.

The decision depends upon the future use of the property. The DMDC has no plans to sell it but would with a lucrative offer. The plan would be to keep it parking until a parking structure is needed at that location, which could be more than seven years away. In the meantime, the DMDC wants to fix it right for now with resurfacing. Here are two ways to pay for it:

1. Big players pay ...
DDA: \$20,000 (out of a \$60k current fund balance ending the fiscal year)
BID: \$20,000 (out of a \$50k fund balance at the end of 2018 calendar year)
DMDC: \$20,000
Total: \$60,000
2. Everyone has skin in the game ...
DDA: \$20,000 (out of a \$60k current fund balance ending the fiscal year)
DMDC: \$20,000
Foundation/Frauenthal: \$2,500
BID: \$2,500
Russell Block/18th: \$2,500
Hume Office: \$2,500
Hines Building: \$2,500
Delta/Convention Center: \$2,500
The Leonard: \$2,500
Baker College: \$2,500
Total: \$60,000

City Manager Frank Peterson and DMDC Chairman Steve Olsen want to opt for resurfacing with the big players paying. That stops downtown for asking for a voluntary contribution from what are mainly BID assessment payers. The DDA and the DMDC have already approved the cost split in concept based upon all three entities agreeing to proceed. The DDA has asked that it be reimbursed by the DMDC on a prorated basis if the parking lot were to be sold for development before the end of seven years. The DMDC has agreed to repay the DDA and the BID for the months the parking surface has been removed before the seven years.

The DDA also has expressed interest in purchasing the parking lots to preserve parking options downtown. Those talks might progress after the lot is resurfaced. All of the stakeholders at Third and Morris met within the last month to discuss the parking lots and future parking needs.

The DMDC and the DDA are asking the BID to participate with a \$20,000 contribution to the resurfacing project. The BID would be partially reimbursed by the DMDC if the parking lot is sold before seven years.

The BID fund had about a \$50,000 fund balance at the end of 2018 and there is more than \$20,000 in fund balance in the BID account today, according to city Finance Director Beth Lewis.

I recommend approval of the \$20,000 request.

I have included a copy of the quote from Ravenna Sealcoating, the company that did work on the parking lot two years ago. I was extremely pleased with the price and the quality of that work. The contractor has verbally agreed to schedule the work for the week or two after Rebel Road, ending July 21. It will be a two-day job. With BID approval, I will sign the contractor's quote.